

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

In re the Trusteeship created by the Director  
of The State of Nevada Department of  
Business and Industry;

Civil 11-00481 (JRT/JJG)

Wells Fargo Bank, N.A.,  
Trustee

Petitioner,

v.

Eaton Vance Municipal Income Trust, et al.

Respondent.

-----  
**NOTICE OF DISMISSAL WITHOUT PREJUDICE**

Wells Fargo Bank, National Association, as indenture trustee (“Wells Fargo” or the “Trustee”), by and through its undersigned counsel, states as follows:

All defined terms herein are as defined in the Petition filed herein.

The Petition in the above matter was filed by the Trustee with the Hennepin County District Court to, among other things, seek instruction with respect to whether or not the Trustee should proceed with a Commutation as described in the Settlement Agreement.

This matter was removed to this Court by a Notice of Removal filed by Eaton Vance Municipal Income Trust. On March 4, 2011, the Trustee filed a Motion to Remand this proceeding to Hennepin County District Court. As of the date of the Notice of Dismissal, the Motion to Remand remains pending before this Court.

Section 1.3 of the Settlement Agreement specifies August 31, 2011 as the Commutation Termination Date, and requires that certain conditions, including the entry of an order of a Minnesota court instructing the Trustee to proceed with the Commutation, be satisfied no later than the Commutation Termination Date.

Section 1.4 of the Settlement Agreement provides that either Ambac, on the one hand, of the Settling Bondholders, on the other, may determine in good faith that the Commutation is not reasonably likely to be achieved prior to the Commutation Termination Date and that the party making such determination may provide a Commutation Abandonment Notice to the other party, in which case the Commutation should no longer be pursued..

By letter dated June 22, 2011, the Settling Bondholders provided a Commutation Abandonment Notice to Ambac. Ambac acknowledged receipt of the Commutation Abandonment Notice and agreed that the Commutation should no longer be pursued.

In light of the delivery of the Commutation Abandonment Notice, the Petition, insofar as it seeks instruction with respect to whether or not to proceed with the Commutation, is moot.

By reason of the forgoing, the Trustee hereby provides notice that the Petition is hereby dismissed without prejudice, each party to bear its own costs.

Dated: June 29, 2011

DORSEY & WHITNEY LLP

By: s/ Johanna Huntley

Patrick J. McLaughlin

Attorney Reg. No. 71080

Todd C. Pearson

Attorney Reg. No. 230935

Johanna Huntley

Attorney Reg. No. 0388360

50 South Sixth Street

Suite 1500

Minneapolis, MN 55402

Telephone (612) 340-2600

Attorneys for the Trustee